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DD/A Registry
77-5442

4 OCT 1977

Executive Registry
77-2363/1

CSC

MEMORANDUM FOR: Acting Deputy Director of Central Intelligence

FROM:   
Acting Director of Personnel

SUBJECT: Federal Personnel Management Project

REFERENCE: Letter to Heads of Departments and Agencies  
from the Chairman of the Civil Service  
Commission

1. Action Requested: Approval action on attached letter to Executive Director, Personnel Management Project, Civil Service Commission.

2. Background: On May 17, 1977, Alan Campbell, Chairman of the Civil Service Commission, announced the formation of the Federal Personnel Management Project, an action group created to carry out the President's Reorganization Plan. The objectives of the Federal Personnel Management Project are to examine and review all aspects of personnel management in the Federal Government - the basic policies, the systems for carrying out personnel management functions, the organization for personnel management and similar matters and to recommend regulatory legislative and organizational solutions.

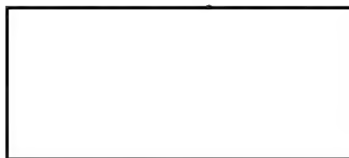
3. The Commission Chairman established working groups and a staff to undertake a comprehensive study of the Federal Personnel System. The results are expected to lead to administrative action; new regulations by the Commission or OMB; reorganization through a reorganization plan; and legislative proposals including the possibility of a comprehensive "Civil Service Reform Act". The Working Group and Staff have thus far written "option papers" covering such subjects as Equal Employment Opportunity, enforcing merit system rules and regulations, carrying out labor-management relations, workforce planning, measuring and encouraging productivity in the Federal workforce, and training and development of Federal employees, supervisors, managers, and executives.

*Civil Service Comm.*

The "option papers" have been distributed to over 700 federal agencies and public interest groups for review and comment. The goal in providing such a wide distribution is to get a broad spectrum of viewpoints from organizations and individuals.

4. To date, the Office of Personnel has reviewed "option" paper numbers; two, "Roles, Functions and Organizations for Federal Personnel Management and related Issues" and; number three, "the Composition Dynamics and Development of the Federal Workforce". Our response is directed to the points in the "option" papers which might have an impact on the Agency in any reorganization effort. We will continue to review each "option" paper and respond as appropriate. Copies of our replies will be forwarded to you.

5. Recommendation: It is recommended that you approve the release of the attached letter containing the Agency position.



Att.

Dist:

- 0 - Add (Return to D/Pers)
- 1 - Acting DDCI
- X - ER
- 1 - DD/Pers/P&C via D/Pers
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OP/P&C/  kj (3 Oct 77)

<b>TRANSMITTAL SLIP</b>		DATE
TO: Executive Registry		
ROOM NO.	BUILDING	
REMARKS:		
FROM: Acting Director of Personnel		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

Executive Registry
77-2363/A

Mr. Dwight Ink  
Executive Director  
Personnel Management Project  
U. S. Civil Service Commission  
Washington, D. C. 20415

Dear Mr. Ink:

We appreciate the opportunity to comment on Option Paper Numbers Two and Three of the Federal Personnel Management Project.

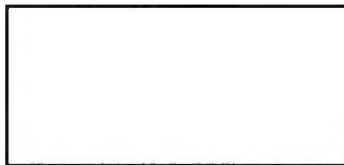
As you are aware, the Central Intelligence Agency is statutorily excepted from the competitive service and exempt from many of the regulatory and administrative requirements of the Civil Service Commission. While the Central Intelligence Agency is excepted and exempt from Civil Service Commission controls, we adhere to the concepts and principles applicable to Federal personnel management and support the retention of a central Federal personnel authority (whether it be the Civil Service Commission or other entity) to provide the policy/program leadership and management assistance role essential to sound and effective personnel management within U. S. Government agencies.

The majority of the specific concerns and issues addressed in the options presented in Option Paper Numbers Two and Three bear on the relationships and authorities applicable to agencies in the competitive service and subject to the jurisdiction of the Civil Service Commission.

We have therefore directed our comments to those elements of Option Paper Numbers Two and Three which have relevancy to agencies such as the Central Intelligence Agency that operate under excepted status and maintain "alternate" personnel systems.

Our comments on Option Paper Number Two are enclosed herewith. We have reviewed Option Paper Number Three and have no substantive comments.

Sincerely,




Acting Director of Personnel

Enclosure

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Comments on Option Paper Number Two

Section III - Organization for Personnel Management: Alternative  
Personnel Systems and the Competitive Civil Service

1. Reference: Introduction

Comment:

The basis for Central Intelligence Agency's statutory excepted/exempted status was congressional recognition of the need to protect the security of the foreign intelligence interests of the United States. Included in the CIA's authorizing statutes (the National Security Act of 1947 and the CIA Act of 1949, as amended) was the proviso that the Director of Central Intelligence is held responsible for protecting intelligence sources and methods from unauthorized disclosure.

Pursuant to this responsibility the Agency was exempted from the provisions of any other law which required the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency.

The circumstances extant at the time of CIA's original authorizing authorities are equally compelling and applicable today.

2. Reference: Issue II - When is alternative (excepted/exempted) status justified?

Comment:

We believe it essential that the current statutory basis for CIA's excepted/exempted status must be retained on the basis of the nature of its mission and activities.

In July 1973, the Civil Service Commission examined CIA's personnel management system as part of their report to the Senate Committee on Post Office and Civil Service on "Statutory Exceptions to the Competitive Service". The

Commission summarized their conclusions that "a single, excepted personnel system for CIA best meets the needs of the Agency", and that "the Agency's personnel system was a working merit system".

3. Reference: Issue II - Possible Criteria for continuing excepted/exempted status.

Comment:

In addition to the need for excepted/exempted status for agencies with national security and intelligence missions on the basis of the security considerations relative to the nature of such functions, the accomplishment of intelligence activities require special authorities and exceptions from normal procedures and requirements.

Several of the criteria suggested as grounds for continuing or granting exempted status are applicable to CIA, particularly criteria numbers 1, 2, 4, 6, 7, and 8.

4. Reference: Issue IV - Mobility between alternative services and the competitive service

Comment:

The CIA supports the transfer of personnel from excepted to the competitive service if individuals meet the basic qualification standards for such positions. Any such option should include reasonable safeguards against violation of merit concepts and political abuse.